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POINT PAPER

12 November 1997

SUBJECT: FY 98 DOD Authorization Bill

PURPOSE: To summarize highlights from the FY 98 Authorization Bill, H.R. 1119, as presented to the President on 6 Nov 97

FACTS:

- < **Reduction in Personnel Assigned to Management Headquarters and Headquarters Support Activities** (new Sec. 911). Extends the period in which the 25% reduction in management headquarters and headquarters support activities personnel must be completed until 1 October 2002 (a 5% cut each year).
- < **Reductions in the Defense Acquisition Workforce** (new Sec. 912). This provision calls for a one-time reduction in Defense Acquisition personnel of 25,000 in FY98. The SEC DEF can waive the reduction for up to 15,000 personnel if he certifies to Congress by 1 June 1998 that the reductions would adversely affect military readiness or acquisition efficiency. The SEC DEF must also submit a plan for streamlining the acquisition organization by 1 April 1998.
- < **Depot Level Activities** (new Secs. 355-367). The conference report contained several depot-level provisions including an increase in the amount of depot-level maintenance that can be contracted out to 50%, balanced by an expanded definition of "depot level maintenance and repair." The bill also amends 10 USC 2469 to restrict contracts for depot maintenance and repair at a military installation where a maintenance facility was closed by BRAC 95, and would require the SEC DEF to designate each depot other than those recommended for closure or realignment under BRAC as a Center of Industrial and Technical Excellence in its core competencies and permits them to form public-private partnerships.
- < **Extension of VSIP authority** (new Sec. 1106) Revises and extends DOD VSIP authority through 30 September 2001.

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- < **Acquisition Reform** (new Secs. 801-855). Includes provisions permitting several service contracts to cross fiscal years for a period not to exceed one year, and eliminating major weapons systems warranties.
- < **Financial Assistance for Additional Duties of the National Guard** (Sec. 386) This section allows the SEC Army to pay to use certain services performed by state guard organizations.
- < **Privatization Measures for other DOD organizations** have been largely eliminated. However, military departments are permitted to contract directly with GPO rather than DPS.
- < **Contract Advisory and Assistance Services budget reduced by \$174 million** in OMA and Procurement accounts (per 23 October 1997 press release).

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